



**BRIEF IN SUPPORT OF PETITION FOR  
WRIT OF CERTIORARI.**

**Opinions of the Courts Below.**

The opinion of the District Court will be found beginning at page 21 of the record, and has been reported in 52 F. Supp. 167.

The opinion of the Court of Appeals for the Second Circuit is not yet reported, but will be found beginning at page 115 of the record.

**Jurisdiction.**

The grounds for jurisdiction are:

1. The date of the judgment to be reviewed is April 27, 1944.

2. The judgment was rendered in a civil action brought under the trade-mark statutes to determine the issues of validity and infringement of trade-marks.

3. The statute under which jurisdiction is invoked is 240(a) of the Judicial Code, 28 U. S. C. A. 347, as amended by the Act of February 13, 1925.

4. Cases believed to sustain the jurisdiction are:

*The William Bagaley*, 72 U. S. 377;

*Green v. Electric Vacuum*, 319 U. S. 777;

*Mishawaka v. S. S. Kresge*, 316 U. S. 203.

**Statement.**

The facts are sufficiently stated in the petition.

### **Specification of Errors.**

The errors which petitioner will urge, if the petition for certiorari is granted, are that the Circuit Court of Appeals for the Second Circuit erred:

1. In holding that Foreign Plaintiff, a necessary party to the litigation, is properly before the Court.
2. In holding that Domestic Plaintiff is an "agent" of Foreign Plaintiff with right or power to institute or maintain this suit.
3. In failing to hold that the "agency" agreement, if it accorded Domestic Plaintiff any right or power to institute and maintain this suit, was abrogated by the Trading with the Enemy Act prior to the institution of the suit so that it could not properly be instituted or maintained.
4. In failing to order the dismissal of the complaint.

### **Summary of Argument.**

The points of argument follow the questions presented and are stated on page 5 of this petition, as well as in the index hereto. For the sake of brevity they are omitted at this point.

## **ARGUMENT.**

### **POINT I.**

**A suit for trade-mark infringement, and for unfair competition because thereof, may not be maintained in the absence of the owner of the trade-mark as a party litigant.**

There can be no doubt but that Foreign Plaintiff is an indispensable party to the present action brought for al-

leged infringement of its trade-mark. This Court in *Mallow v. Hinde*, 25 U. S. 12, Wheat. 193 said:

“ \* \* \* no court can adjudicate directly upon a person's right, without the party being actually or constructively before the Court.”

See also

*State of California v. Southern Pacific Co.*, 157 U. S. 229.

Indeed, the trade-mark statute (15 U. S. C. A. Sec. 96) prescribes liability for damages for infringement of a trade-mark only “at the suit of the owner thereof”; and consistently it has been held that a suit for infringement of trade-mark

“ \* \* \* rests ‘on the ownership of the trade marks’ and ‘title to the trade marks is indispensable to a good cause of action’.”

*Perry v. American Hecolite Denture Corp.*, 78 F. (2d) 556; see also 63 Corpus Juris Sec. 135.

Therefore, it is obvious that Foreign Plaintiff, as owner of the trade-marks, is a necessary and indispensable party litigant in this cause.

Of course, the mere inclusion of the name of Foreign Plaintiff in the title to the cause, and in the complaint, does not make Foreign Plaintiff a party to the suit.

The complaint was verified by Mr. Mulligan, President of Domestic Plaintiff, and his examination before trial developed that the suit for alleged infringement of Foreign Plaintiff's trade-mark was instituted without the knowledge or consent of Foreign Plaintiff, and that the inclusion of Foreign Plaintiff's name as a plaintiff was likewise without its knowledge or consent. Mr. Mulligan was asked (R. 41):

"Q. Tell me what, if anything, the Domestic Plaintiff did to get the consent of the Foreign Plaintiff in bringing this suit? A. That was impossible owing to laws promulgated by our Government, making it unlawful to communicate with our principals.

Q. Then it is correct to state that the Domestic Plaintiff joined the name of the Foreign Plaintiff in this cause without getting the consent of the Foreign Plaintiff? A. That is true, but due entirely to the abnormal conditions existing making it impossible to communicate.

Q. And it is also true that Mr. Aitken, the attorney in this cause, was retained only by the Domestic Plaintiff, is that correct? A. That is true."

It would seem to be obvious, therefore, that the complaint in this cause is fatally defective for want of the necessary plaintiff, unless, factually, when the complaint was filed Domestic Plaintiff was an "agent" of foreign plaintiff in the sense that it was vested with the power or authority to sue for alleged infringement of its trade-mark.

## POINT II.

**The mere, non-exclusive, commercial sales agreement did not vest in Domestic Plaintiff an agency carrying with it the right or authority to maintain a suit for alleged infringement of trade-marks owned by the enemy alien Foreign Plaintiff.**

The relationship between the plaintiffs at the time the complaint was filed in November 1942 is shown by the agreement of January 1, 1938 (R. 35, 70), as amended in 1939 to become non-exclusive in character (R. 45). That agreement was merely and wholly commercial in character between a buyer and a seller whereby Domestic Plaintiff agreed to purchase its wines for resale in the United States exclusively from Foreign Plaintiff and Foreign Plaintiff

reciprocally agreed that it would sell its wines for resale in the United States to Domestic Plaintiff and one other. Thus there is not here present a single attribute incident to the legal relationship of principal and agent (Cf. *Matthews Conveyor Co. v. Palmer*, 135 F. (2d) 73, 77; *Restatement of Law of Agency*, Sec. 1, p. 8; Sec. 13, p. 46; *S. B. McMaster v. Chevrolet Motor Corp.*, 3 F. (2d) 469).

Additionally, in so far as the trade-mark rights of Foreign Plaintiff are concerned the agreement expressly excludes any possible thought of any interest therein by Domestic Plaintiff, or of the power or authority of Domestic Plaintiff to take any action against any one with respect thereto.

It is quite obvious therefore that the relationship between Foreign and Domestic Plaintiffs—established solely and entirely by the agreement between them—is not one which vested Domestic Plaintiff with the power or authority to institute or maintain the present action.

### POINT III.

**The mere, non-exclusive, commercial sales agreement between Foreign and Domestic Plaintiffs was abrogated by the Trading with the Enemy Act.**

Regardless of whatever was vested in Domestic Plaintiff by the sales agreement which alone constituted the relationship between Foreign and Domestic Plaintiffs, the agreement was abrogated, prior to the institution of the present suit, by the declaration of war, by the Trading with the Enemy Act, wherefore the suit neither properly could be instituted nor maintained. Section 3 of that Act makes it unlawful:

“(a) For any person in the United States, except with the license of the President granted to such

person, or to the enemy or ally of enemy as provided in this Act, to trade, or attempt to trade, either directly or indirectly, with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any other person, with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or in conducting or taking part in such trade, directly or indirectly, for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy."

And Section 2 of the Act defines the words "to trade" as used therein, as meaning:

"(c) Enter into, carry on, complete or perform any contract, agreement, or obligation.

(d) Buy or sell, lend or extend credit, trade in, deal with, exchange, transmit, transfer, assign, or otherwise dispose of, or receive any form of property.

(e) To have any form of business or commerce, communication or intercourse with."

Therefore, even if the agreement between Foreign and Domestic Plaintiffs constituted the latter an "agent" of the former (and we submit that obviously it did not) the declaration of war abrogated the agreement and all relationships thereunder so that the present suit could not be instituted or maintained by Domestic Plaintiff in the name or in behalf of Foreign Plaintiff.

It is true that the Trading with the Enemy Act *permits* the prosecution of a suit for trade-mark infringement *by an enemy alien* (U. S. C. A. Title 50, App. 10 (g)), but this may not be done by an "agent" of an enemy alien principal. It can only be done under a power of attorney, the continuing validity of which alone is expressly provided for by paragraph 10(h) of the Act. Clearly, here the con-

tractual arrangements between Foreign and Domestic Plaintiffs by no stretch of the imagination, by language, intent or implication, constituted Domestic Plaintiff the attorney of Foreign Plaintiff in fact or in law, or vested Domestic Plaintiff with a power of attorney to institute a trade-mark infringement suit.

### ***Conclusion.***

It is submitted, therefore, that the Court of Appeals for the Second Circuit committed error in sustaining the right of Domestic Plaintiff to institute and maintain the present suit in the name and in behalf of Foreign Plaintiff.

It is of great public importance, particularly at this time, for this Court to pass upon the question of whether or not an enemy alien, merely by virtue of a commercial sales agreement entered into prior to the war, may prosecute claims during the war for monetary recoveries and equitable relief. All such agreements were abrogated by the Trading with the Enemy Act upon the declaration of war. The purpose of that Act judicially should not be defeated.

***It is submitted therefore that the petition should be granted and the questions here submitted passed upon by this Court.***

Respectfully submitted,

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*Counsel for Petitioner.*



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